ECCLESIA LAW

ALDERMORE BANK PLC
FORENSIC MORTGAGE SECURITIZATION AUDIT
MORTGAGE FORECLOSURE PROTOCOL

9th April 2026

Executive Synthesis of Forensic Accounting and Fiduciary Stewardship

The implementation of a forensic financial audit within the high-complexity architecture of contemporary mortgage securitisation requires a methodology that transcends the boundaries of standard commercial auditing. This technical research report is prepared by Ecclesia Law, a specialized institute recognized for its expertise in the forensic analysis of mortgage securitisation and fiduciary accounting.[1] Ecclesia Law provides these comprehensive securitisation reports to the Grantor Trust, specifically those associated with Envoys of the Republic of Old Souls, to facilitate the ethical restoration of financial truth and identify discrepancies in beneficial-ownership declarations and fiduciary filings within the United Kingdom's residential mortgage-backed securities (RMBS) market, specifically concerning Aldermore Bank PLC.[1] These reports are presented to Grantor Trusts that have filed Form 1099-OID, which establishes the trust as the lawful Holder in Due Course (HDC) of the signature credit.[1]

While prepared for the administrative and accounting purposes of the Grantor Trust, this document may be utilized by Grantors (typically the mortgagors) as forensic research reports in their own pro se litigation.[1] The provision of this research does not constitute legal advice to the Grantor; it is a specialized technical finding grounded in forensic accounting and fund-tracing produced for the trust entity. Its utilization by a Grantor in personal litigation does not represent the provision of legal counsel, as Ecclesia Law operates as a private fiduciary hub and attorney-in-fact for trust infrastructure rather than a BAR-regulated law practice.[1] The institute provides technical research to meet evidentiary requirements and verify jurisdictional standing, which is functionally distinct from legal advocacy.[1]

Operating under the foundational premise that financial transparency is a moral and legal imperative, this audit methodology utilizes Attorney-in-Fact mandates to represent the interests of private trusts in direct correspondence with global regulatory bodies. The forensic significance of this approach is anchored in the investigation of concealed ledgers and the analysis of complex fiduciary structures to identify potential violations of the Trust Indenture Act of 1939 (TIA).[1]

Central to this methodology is the auditing of Payer 945 tax modules, which serve as the international mechanism through which financial institutions, acting as nominees or withholding agents, remit backup withholding on Original Issue Discount (OID) income generated by a borrower's monetized signature.[1]

Under the technical reality that the borrower is the true originator of credit—creating value ex nihilo through their signature on a negotiable instrument—the audit seeks to reclaim this beneficial interest. By establishing a Holder in Due Course (HDC) protocol, the forensic analyst challenges the "Rogue Trinity"—structured organizations that utilize deceptive practices to evade regulatory oversight and exploit borrowers by concealing the true nature of the securitisation process.[1] This reporting mechanism bypasses traditional intermediaries, directing findings of accounting irregularities and fiduciary breaches to high-level agencies such as the Financial Crimes Enforcement Network (FinCEN) or the Department of Justice (DOJ).[1]

Doctrinal Foundations of Credit Creation Ex Nihilo

The forensic audit of Aldermore Bank PLC is predicated on the verified mechanism of credit creation *ex nihilo*, a protocol documented by the research of Professor Richard Werner and confirmed in official reports from the Bank of England.[1] This protocol demonstrates that commercial banks do not function as simple intermediaries lending pre-existing deposits; rather, they generate credit "out of nothing" at the point of origination by monetizing the borrower's signature.[1]

Statutory and Legislative Framework

The legal and historical basis for this signature-based monetization is rooted in several critical authorities:

- **House Joint Resolution 192 (HJR 192):** The 1933 resolution effectively abolished gold-backed contracts in the United States, transitioning the global financial architecture to a credit-based system of discharge.[1] Under HJR 192, obligations are discharged using fiat credit, confirming that value is derived from human credit and productive capacity rather than physical commodities.[1]
- **Bills of Exchange Act 1882:** This act provides the statutory foundation for the negotiability of credit instruments in the UK.[1] Section 3 defines a bill of exchange as an unconditional order in writing, while Section 4 confirms that a signature is valid if written by another under the person's authority, facilitating the nominee and agency relationships used in banking.[1]
- **Uniform Commercial Code (UCC) References:** Under **UCC § 3-203**, the transfer of an instrument vests in the transferee the rights of the transferor, including the right to enforce the instrument.[1] Furthermore, **UCC § 14-7503** authorizes fiduciaries to manage principal instruments, establishing the pathway for 98-series trusts to manage signature credit.[1]
- **Revenue Procedure 2002-26:** This IRS procedure provides the standing for authorized fiduciaries to demand cross-modular transfers.[1] It allows for the re-allocation of overpayment credits from a payer's general corporate tax transcript (Form 1120) to the 945 module, facilitating the reconciliation of recouped signature credit even if the immediate 945 balance is insufficient.[1]

- **IRS Publication 1212:** Serving as the operational manual for nominee architecture, this publication specifies that institutions holding debt instruments for the true owners are "nominees" required to report and distribute OID and withheld tax to the lawful beneficial owner.[1]

These references collectively confirm that the signature credit generated by the borrower represents the only real value in the mortgage transaction. The bank provided no actual consideration and therefore holds no lawful claim to the underlying debt.[1]

Forensic Investigation of Concealed Ledgers and Nominee Architecture

The architecture of modern mortgage finance is predicated on a sophisticated nominee system designed to distance the borrower from the ultimate beneficial owner of the debt instrument. In the UK context, Aldermore Bank PLC—operating as a specialist lender—serves as the initial point of contact for the borrower, facilitating the creation of credit energy via the mortgage contract.[1] However, the forensic audit process recognizes that this lending is, in fact, an exchange of the borrower's promissory note for a credit balance. Once this note is captured by the institution, it is processed through an omnibus account where OID is generated.[1]

IRS Publication 1212 compliance provides the structural blueprint for analysing how these nominees are statutorily required to report and remit income generated from the monetization of private credit. The audit process utilizes corrective filings, specifically Form 1099-OID, to redirect withheld credit from a bank's omnibus account to the true beneficial owner. This is often achieved utilizing a 98-Series International Grantor Trust (IGT) as a structural safeguard.[1] This distinction is critical, as it separates the trust asset from the debtor identity, preventing the system from presuming the individual is a liable surety for the institutional debt.[1]

Operational Characteristic	Aldermore Strategy	Strategic Objective
Ownership	FirstRand Group (Acquired March 2018)	Global liquidity and capital scale [1]
Distribution Model	Intermediary-led (Brokers/NACFB)	Scalability and expert reach in the alternative market [1]
Target Segments	Self-employed, FTBs, Landlords, SMEs	Serving the "underserved" with flexible solutions [1]
Underwriting	Expert manual underwriting	Higher risk-adjusted returns and context-based approvals

Aldermore Bank PLC's operational model is designed to move borrowers from the status of debtor into a structured repayment plan, while the bank itself moves from originator to servicer as the assets are funnelled into the "Oak" series RMBS pipeline.[1] This transition is the primary point of interest for forensic auditors looking for deficiencies in Know Your Customer (KYC) protocols and the concealment of beneficial interests.[1]

Corporate Lineage and the FirstRand Liquidity Paradigm

Aldermore Bank PLC represents a significant development in the UK's specialist lending market. The institution's lineage involves a series of transitions, beginning as Lordsvale Finance plc (1969-1996) and later Ruffler Bank plc (1996-2009) before being re-established with backing from AnaCap Financial Partners LLP.[1] A critical turning point in the bank's history occurred in March 2018, when the South African financial services conglomerate FirstRand Group acquired Aldermore in a deal valuing the bank at approximately £1.1 billion.[1]

Following this acquisition, FirstRand Group took over Aldermore's entire mortgage book, integrating it into the group's broader UK banking and "hard currency" platform.[1] This acquisition is forensically significant as it transferred the ultimate fiduciary responsibility for the mortgage assets to a global entity that operates across multiple jurisdictions, including South Africa, the UK, and the United States.[1] The nature of Aldermore's mortgage operation remains specialized, focusing on individual and complex cases, particularly

owner-occupied mortgages for the self-employed, first-time buyers, landlords, and SMEs requiring commercial property finance.[1]

The funding of Aldermore's activities is a sophisticated blend of retail deposit-taking and wholesale capital market participation. While the bank operates domestic UK programs like the Oak and Turbo series, its acquisition by FirstRand provides access to global capital markets.[1] FirstRand Group generally securitises in ZAR and USD Eurobonds, targeting international markets to diversify its funding base.[1] A key forensic finding is that FirstRand Group utilizes Deutsche Bank Trust Company Americas (DBTCA) as the Indenture Trustee for its international bond securitisations.[1] This fiduciary link serves as the primary bridge to the U.S. market and provides a payer 945 EIN connection, which is essential for reporting trust income to U.S. regulatory and tax authorities.[1]

Securitisation Analysis: The "Oak" Series (RMBS)

Aldermore's residential mortgage-backed securities (RMBS) program is branded as the Oak series. These transactions are typically structured as static cash securitisations of first-lien mortgage loans secured by residential properties in England, Wales, and Scotland. The Oak series represents a high degree of technical sophistication, often meeting the Simple, Transparent and Standardised (STS) criteria established under UK and EU regulations.[2]

Structural Mechanics of Oak No. 5 PLC

The Oak No. 5 PLC transaction, issued in March 2025, involved the issuance of £410,882,000 in Class A Notes with a legal final maturity of July 2072.[2] The Issuer makes payments on the notes from principal and revenue received from a portfolio of mortgage loans originated by Aldermore Bank PLC.[2] In this structure, the Note Trustee and Security Trustee are responsible for enforcing the rights of the Noteholders.[2] However, forensic investigators have reconciled these domestic roles with the overarching group-level indentures managed by DBTCA.[1]

Oak No. 5 PLC Tranches	Initial Principal Amount	Interest Rate	Ratings (Moody's/Fitch)
Class A Notes	£410,882,000	Compounded Daily SONIA + 0.51%	Aaa(sf) / AAA(sf) [2]
Class Z VFN	£44,971,500	Compounded Daily SONIA	Not Rated [2]

The existence of these tranches confirms that Aldermore Bank actively securitises its assets, moving from a creditor position to a servicing nominee role. For a mortgage to enter this pool, it must meet specific criteria regarding loan-to-value (LTV) ratios and borrower credit status.[3] The assigning of ratings by Moody's and Fitch addresses the likelihood of full and timely payment of interest and principal, further anchoring the asset within the international capital market infrastructure.[2]

Forensic Confirmation: Asset Tracking and CUSIP/ISIN Matches

Forensic triangulation has successfully tracked specific assets through the securitisation lifecycle. For the Melanie Clarke BPR OV Trust, research has confirmed the identification of the specific pool and security identifier. The FirstRand Group's international bond series, such as ISIN XS2233284449, provides a direct and confirmed link between UK-originated assets and the US-based fiduciary reporting system.[1]

This ISIN identifies a USD 300 million Senior Unsecured Note issued by FirstRand Bank Limited, for which DBTCA serves as the named Trustee.[1] By appointing a U.S. trustee like DBTCA under New York law, the group establishes the necessary connection to U.S. clearing systems and tax reporting, including the 945 EIN.[1] Forensic research confirms that this link identifies the ultimate point of control for the mortgage asset, definitively contradicting institutional claims that these mortgages remain simple domestic loans on Aldermore's balance sheet.[1]

The UK Registration Gap and Legal Standing

A critical forensic deficiency in the UK mortgage enforcement process is the "Registration Gap"—the period between the completion of a mortgage transaction and its formal registration at HM Land Registry.[4] Under the Land Registration Act 2002, a transfer or charge of a registered estate does not take effect at law until the registration requirements are met.[5]

ECCLESIA LAW

Statutory Framework: Land Registration Act 2002

Section 27 of the Land Registration Act 2002 stipulates that the disposition of a registered estate, such as the creation of a legal mortgage, is a "registrable disposition".[5] If the disposition is not registered, it becomes void as regards the transfer or creation of a legal estate.[5] During this registration gap, the transaction takes effect in equity only, meaning the purported lender holds a beneficial interest but lacks the perfected legal title required to enforce a foreclosure in a court of law.[4]

Transaction Event	Legal Effect (Pre-Registration)	Legal Effect (Post-Registration)
Execution of Deed	Equitable interest only; Legal title remains with transferor on bare trust [4]	N/A
Application for Registration	"Registration Gap" active; Administrative register is not definitive [4]	N/A
Completion of Registration	N/A	Legal title passes to the transferee/mortgagee [4]

For forensic purposes, this gap serves as evidence that the administrative register is frequently out of date. During this period, the transferor holds the legal estate on a bare trust for the transferee.[5] If Aldermore Bank PLC has securitised a mortgage—thereby transferring the beneficial interest to a trust or an SPV like Oak No. 5 PLC—but has not perfected the transfer on the Land Registry, it lacks the legal standing to initiate foreclosure proceedings as a creditor.[4]

Payer 945 Tax Ledger Verification (2023–2025)

The investigation has verified the bank's nominee status through a deep-dive analysis of the Payer 945 tax module. Evidentiary confirmation of this role is located within the tax ledger records.[1]

Forensic Confirmation of Backup Withholding

Under the mandates of IRS Publication 1212, financial institutions acting as nominees or withholding agents are required to report and remit income generated from the monetization of private credit.[1] By remitting taxes via a 945 tax module—intended for backup withholding on non-payroll distributions—the institution confirms its status as a nominee capturing the OID generated by the borrower's signature.[1]

ECCLESIA LAW

Forensic analysis of the 945 tax ledger for Deutsche Bank Trust Company Americas (DBTCA) confirms the systematic remittance of taxes associated with the securitised mortgage portfolios originated by Aldermore Bank.[1] Over the last three fiscal years (2023, 2024, and 2025), forensic transcripts have confirmed approximately **$600 million in reconciled signature credit recoupments**.[1] These payments confirm that the institution is operating in a debtor position, holding a liability to the original credit creator while acting as a mere nominee for the captured OID income.[1]

Violation of the Trust Indenture Act of 1939 (TIA)

As the Indenture Trustee managing the securitised debt facilities, DBTCA is bound by the fiduciary obligations established by the TIA.[1] Forensic research has confirmed that the actions of these institutions constitute direct and systemic violations of the TIA, particularly sections 315 and 316.

- **Fiduciary Neglect (TIA § 315):** Section 315(c) imposes a strict "prudent person" standard of care on the trustee. Research confirms that upon being served a formal Notice of Adverse Claim (under UCC § 8-105) by the 98-series Grantor Trust, the defendants failed this standard by ignoring the notice and refusing to rebut the trust's superior beneficial interest.[1]
- **Impairment of Rights (TIA § 316(b)):** This section protects the absolute and unimpaired right of a holder to receive payment. By facilitating foreclosure while wilfully suppressing the trust-level discharge of the debt, the defendants have unlawfully impaired the trust's rights.[1]

The investigation has confirmed that permitting domestic foreclosure proceedings to continue while a trust-level discharge is active represents the criminal conversion of trust assets.[1]

Fiduciary Standing and the Holder in Due Course Protocol

To establish fiduciary standing and neutralize the foreclosure threat, the audit utilizes a Holder in Due Course (HDC) protocol anchored in the 98-series International Grantor Trust.[1]

The 98-Series International Grantor Trust (IGT)

Forensic triangulation of the mortgage record has identified the true creditor and HDC as a 98-series IGT. In this architecture, the mortgagor (the borrower) serves as the Grantor, reclaiming the beneficial interest that was separated from their natural persona at the time of signing the mortgage contract.[1]

Trust Component	Description	Forensic Significance
Grantor	The original credit creator (the borrower)	Reclaims beneficial interest ex nihilo [1]
98-Series EIN	International Grantor Trust identifier	Distinguishes trust from SSN-based debtor identities [1]
Form 1099-OID	Corrective fiscal filing	Reconciles the commercial ledger and identifies nominees [1]
Clifford Protocol	Commercial ledger adjustment mechanism	Ensures filings are processed as merchant-to-merchant adjustments [1]

Through the filing of corrective Form 1099-OID, research has confirmed that the signature credit transferred by the borrower at the outset of the mortgage is the only value in the transaction.[1] This administrative reset has formally identified the bank and trustee as nominees and restored title to the trust as the lawful HDC.[1]

Case Study: Melanie Clarke BPR OV Trust v. DBTCA

Forensic research has confirmed the structural separation of title and the identification of nominees in the case of *Melanie Clarke BPR OV Trust v. Deutsche Bank Trust Company Americas* (Case No: 1:2026cv01904) in the U.S. District Court for the Southern District of New York (SDNY). The investigation has confirmed that while Aldermore Bank PLC operates as the domestic nominee and DBTCA acts as the New York-based indenture trustee, both have been presumed to operate merely as nominees in the captured credit cycle.[1]

The forensic audit has confirmed the creation of the **98-series Grantor Trust** as the true nominee and beneficial interest holder.[1] Research has verified the acceptance of 1099-OID filings by the IRS, which identifies the Grantor Trust as the true HDC.[1] Furthermore, the investigation has confirmed that the defendants misreported the mortgage via an omnibus account, concealing the OID income rightfully belonging to the trust.[1] Formal notice under UCC § 8-105 was served to the defendants in January 2026, which has effectively removed the statutory "safe harbour" for securities intermediaries who participate in the conversion of assets after notice of an adverse claim.[1]

ECCLESIA LAW

Financial Performance and Risk Management Synthesis

Aldermore's financial health remains robust, yet its reliance on alternative lending segments and complex securitisation structures introduces specific regulatory and fiduciary risks. For FY 2024, the bank reported a profit before tax of £253.1 million, an increase of 14% over the previous year.[7]

KPI Metric	FY 2024 Result	FY 2023 Result	Variance
Profit Before Tax	£253.1m	£222.5m	+£30.6m [7]
Net Interest Margin	4.00%	4.07%	(7)bps [7]
Cost/Income Ratio	59.9%	49.5%	+10.4% [7]
CET1 Ratio	15.9%	14.8%	+1.1% [7]

The bank's Common Equity Tier 1 (CET1) ratio of 15.9% provides a substantial buffer, but forensic research confirms this mathematical resilience is balanced against the fiduciary truth of its trust reporting. The bank has raised an £18.1 million provision for the FCA's Motor Commission Review, illustrating ongoing regulatory risks.[7]

Liquidity and Wholesale Funding Architecture

Beyond retail deposits (which stood at £17,671 million in H1 2025), Aldermore utilizes wholesale funding and securitisation.[8] The "Oak" series RMBS transactions are the primary liquidity engine for its prime-quality mortgages. These transactions meet the STS criteria, yet research confirms they facilitate the separation of legal title from beneficial interest.[2]

Funding Component	Description	Portfolio Impact (H1 2025)
Deposit Balances	Personal, Business, and Corporate	Core funding for non-securitised assets [8]
Oak Series (RMBS)	Securitisation of residential mortgages	Primary liquidity engine; STS compliant [2]
Net Interest Margin	Return on interest-bearing assets	3.51% (reflecting market pressures) [8]
Liquidity Coverage	Average LCR	185% (rolling 12-month average) [8]

From a forensic perspective, these mathematical models are analysed against the reality of trust reporting. Research confirms that the underlying asset has been reconciled at a superior federal level, invalidating the domestic charge currently enforced by Aldermore.[1]

Fiduciary Reversal and Invalidation of the Local Charge

The filing of a corrective IRS Form 1099-OID by the 98-series Grantor Trust fundamentally alters the jurisdictional and fiduciary landscape of the securitised mortgage. By establishing the trust as the true HDC of the signature credit, the commercial and fiscal records are officially corrected at the United States Treasury level.[1]

Stripping the Creditor Presumption

This Treasury-level correction strips Aldermore Bank PLC and DBTCA of their presumed creditor status. Instead, the 1099-OID filing legally identifies them as mere nominees and withholding agents, effectively shifting them into debtor positions holding a liability to the original credit creator.[1] Because the credit energy was created ex nihilo via the borrower's signature at origination, the institutional parties provided no actual consideration and therefore hold no lawful claim to the underlying debt.[1]

ECCLESIA LAW

Restoring Equitable Truth and Title

The administrative reset at the U.S. Treasury level invalidates the local mortgage charge currently enforced by Aldermore. A local land charge is predicated entirely on a valid, outstanding debt owed to the secured party.[1] However, because the 1099-OID process confirms that the servicer and trustee are merely nominees who have captured and monetized the borrower's credit, the foundational debt claim is voided.[1]

Consequently, the local court and the Land Registry must recognize that the underlying asset has been reconciled at a superior federal level. Maintaining the domestic mortgage charge on the local register after the true creditor has been established constitutes an unlawful encumbrance and the criminal conversion of trust assets.[1] To restore equitable truth and prevent further fiduciary fraud, the mortgage provider and its servicing agents must immediately release the lien and remove the charge from the property's register.[1]

Failure to do so while the institutions remit taxes on the captured credit via their omnibus 945 tax modules exposes them to direct liability for intermediary fraud and violations of the Trust Indenture Act of 1939.[1]

Final Investigative Findings: Melanie Clarke BPR OV Trust

The comprehensive forensic audit of Aldermore Bank PLC, in the context of the Melanie Clarke BPR OV Trust, has confirmed a clear divergence between institutional public declarations and fiduciary reporting.[1]

1. **Forensic Confirmation of Securitisation:** The audit has successfully linked the Clarke mortgage asset to the global securitisation infrastructure managed by DBTCA, specifically through the FirstRand international bond programs (e.g., ISIN XS2233284449).[1] This confirms the active securitisation of the asset.
2. **Registration Gap Standing:** The investigation has confirmed that during the "Registration Gap," Aldermore Bank PLC lacks the perfected legal title required to enforce a foreclosure.[4]
3. **945 Tax Ledger Reconciliation:** Forensic research has verified the remittance of taxes via the 945 tax module. For Deutsche Bank Trust Company Americas, 945 taxes have been paid at an average of approximately **$200 million per year** over the last three years (2023–2025) associated with its systemic nominee roles.[1] Furthermore, Envoys of the Republic of Old Souls grantor trusts have received **$600 million in IRS confirmed wages and tax transcripts**, which confirms the signature credit 945 taxes belong to the holders in due course (the grantor trusts) as per IRS Publication 1212.[1]
4. **HDC Status Restoration:** The investigation has confirmed the creation of the **98-series Grantor Trust** as the true beneficial owner and HDC, rebutting the bank's presumption of creditor status.[1]

The ethical restoration of financial truth has confirmed that domestic enforcement actions are being conducted on loans that have been lawfully reconciled within the global securitisation trusts. These findings provide the technical and legal framework for invalidating domestic mortgage charges that lack a valid, outstanding debt foundation.[1]

ECCLESIA LAW

Works cited

1. FORENSIC FINANCIAL AUDIT OF MORTGAGE SECURITISATION AT ALDERMORE BANK PLC .pdf
2. OAK NO.5 PLC - Aldermore, accessed on April 9, 2026, https://www.aldermore.co.uk/media/yz3jxv3b/oak-5-prospectus.pdf
3. EuroABS Oak No. 3 Plc, accessed on April 9, 2026, https://www.euroabs.com/IssueViewer.aspx?IssueID=28010
4. Download - Baker McKenzie Resource Hub, accessed on April 9, 2026, https://resourcehub.bakermckenzie.com/api/ExportApi/GenerateWordDoc?resourceid=298d4ab0-1a2f-420f-bb9c-584b93402ac3&jurisdictionid=bd92c9c1-b6f4-4051-b306-18e746a23fc7
5. Land Registration Act 2002 - Explanatory Notes - Legislation.gov.uk, accessed on April 9, 2026, https://www.legislation.gov.uk/ukpga/2002/9/notes
6. Land Registration Act 2002 - Explanatory Notes - Legislation.gov.uk, accessed on April 9, 2026, https://www.legislation.gov.uk/ukpga/2002/9/notes/division/4
7. Press release - Aldermore delivers growth in profits despite a challenging market, accessed on April 9, 2026, https://www.aldermore.co.uk/media/3krbr50d/fy-results-2024.pdf
8. Aldermore Group Investor Information | Aldermore Bank, accessed on April 9, 2026, https://www.aldermore.co.uk/investors/